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South Africa, Republic of

Trade Performance

Agro-Food Exports Under AGOA

2008

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Report Highlights:

South Africa exported \$1.1 billion worth of goods to the United States under AGOA in 2007. Agro-food products represent 12.7 percent of exports under AGOA and were worth \$137 million in 2007. South Africa's AGOA agro-food exports increased by 179.4 percent since 2001. The major agro-food products exported under AGOA are citrus, wine, ethyl alcohol, fruit and vegetable juice, grapes and nuts.

Includes PSD Changes: No
Includes Trade Matrix: No
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Background

In May 2000, the United States Congress approved legislation known as the **African Growth and Opportunity Act**, or AGOA. The purpose of this legislation is to assist the economies of sub-Saharan Africa in trade and to improve economic relations between the United States and the region. AGOA opens the United States market to a large number of African-sourced goods that are able to enter the United States free of import duty, expanding the benefits under the Generalized System of Preferences (GSP) program. Currently, there are 39 AGOA-eligible countries in the sub-Saharan Africa region. AGOA provides both tangible and intangible benefits—in particular, increasing direct trade between the United States and sub-Saharan Africa. Further, the Act encourages interregional trade among the African countries, provides incentives for accelerated trade reforms, and facilitates economic dialogue between the United States and African government officials through the annual AGOA forum. Initially, AGOA was set to expire in 2008. However, in 2004 the United States Congress passed the AGOA Acceleration Act of 2004, which extended the legislation to 2015. Agricultural products are a promising area for AGOA trade, however, much work needs to be done to assist African countries in meeting U.S. sanitary and phytosanitary standards.

Total sub-Saharan Africa exports under AGOA

United States total trade with sub-Saharan Africa (exports plus imports) increased 15 percent in 2007, as both exports and imports grew. U.S. exports increased by 19 percent to \$14.4 billion, driven by growth in vehicles and parts, parts for oil field equipment, wheat, non-crude oil, and medical equipment. United States imports in 2007 increased by 14 percent to \$67.4 billion. Crude oil accounted for more than 77 percent of total imports from sub-Saharan Africa. The United States merchandise trade deficit with sub-Saharan Africa continued to widen in 2007 to \$53.0 billion, from \$47.0 billion in 2006. However, trade between the United States and Sub-Saharan Africa is highly concentrated, with a small number of African countries and product categories accounting for an overwhelming share of the total for both imports and exports.

In 2007, Sub-Saharan Africa exports to the United States under AGOA (excluding GSP) were \$42.3 billion, 17.0 percent more than in 2006. The percentage growth since 2001 in AGOA exports is a remarkable 457.7 percent. However, petroleum products continued to account for the largest portion of AGOA exports with a 95.0 percent share of overall AGOA exports in 2007 (see Table 1). Petroleum products are followed by knit and woven apparel (3.0 percent), vehicles (1.1 percent), iron and steel (0.4 percent) and agro-food products (0.4 percent). The top five AGOA beneficiary countries include Nigeria (71.3 percent), Angola (11.3 percent), Gabon (4.0 percent) Congo (3.8 percent) and Chad (3.5 percent) (see Table 2). South Africa exported \$1.1 billion worth of goods to the United States under AGOA in 2007 which represented 2.6 percent of total AGOA exports to the United States.

Table 1: Sub-Saharan Africa exports (products) under AGOA (excluding GSP)

								% Growth since 2001	% of total AGOA exports
	2001	2002	2003	2004	2005	2006	2007		
Product	\$ Millions								
Mineral Fuel, oil etc	6,827	6,798	11,058	19,545	30,910	34,139	40,168	488.4	95.0
Knit & woven apparel	355	798	1196	1615	1419	1256	1267	256.9	3.0
Vehicles	241	483	634	422	138	355	467	93.8	1.1
Iron and Steel	79	120	96	143	63	98	150	89.9	0.4
Agro-food	58	109	122	129	151	225	156	169.0	0.4
Misc. Chemical Products	2	3	8	27	40	46	49	2350.0	0.1
Other	14	3	29	17	20	14	12	-14.3	0.03
Total	7,579	8,334	13,143	21,898	32,743	36,133	42,270	457.7	

Source: USITC

Table 2: Sub-Saharan Africa exports (countries) under AGOA (excluding GSP)

								% Growth since 2001	% of total AGOA exports
	2001	2002	2003	2004	2005	2006	2007		
Country	\$ Millions								
Nigeria	5,688	5,409	9,354	15,416	22,460	25,823	30,137	429.8	71.3
Angola	0	0	0	1,249	4,216	4,533	4,768		11.3
Gabon	939	1,145	1,177	1,919	2,487	1,290	1,674	78.3	4.0
Congo (ROC)	129	104	338	342	571	775	1,605	1,146.5	3.8
Chad	0	0	14	294	1,029	1,531	1,488		3.5
South Africa	417	790	998	832	455	717	1,077	158.1	2.6
Lesotho	130	318	373	448	388	384	380	193.1	0.9
Madagascar	92	76	186	315	273	230	281	205.4	0.7
Kenya	55	124	181	280	272	265	250	354.4	0.6
Cameroon	37	116	147	243	101	152	169	360.6	0.4
Other countries	93	253	375	560	489	432	441	374.9	1.0
Total	7,579	8,334	13,143	21,898	32,743	36,133	42,270	457.7	

Source: USITC

South African exports under AGOA

South African exports under AGOA increased by 158.1 percent since 2001 (see Table 3). The major product, accounting for 43.4 percent of exports under AGOA, was vehicles and more specific BMW cars. Vehicle exports grew by 93.8 percent since 2001 and were worth \$467 million in 2007. Vehicles are followed by mineral fuels accounting for 22.3 percent of exports under AGOA. Mineral fuel exports grew by 11,126 percent since 2001 and were worth \$240 million dollar in 2007. The major beneficiary being SASOL. Other major products are agro-food (12.7 percent), iron and steel (13.9 percent) and chemical products (4.5 percent).

Table 3: South Africa exports (products) under AGOA (excluding GSP)

Product	2001	2002	2003	2004	2005	2006	2007	% of total AGOA exports	% Growth since 2001
	\$ million								
Vehicles, Not Railway	241	483	634	422	138	355	467	43.4	93.8
Mineral Fuel, Oil Etc	2	1	3	0	0	9	240	22.3	11,126.6
Iron And Steel	79	120	96	143	63	98	150	13.9	89.9
Agro-food	49	77	103	109	132	155	137	12.7	179.4
Misc. Chemical Products	1	2	8	27	40	46	49	4.5	6,745.0
Other	45	107	154	131	82	54	34	3.2	-24.5
US imports from SA under AGOA	417	790	998	832	455	717	1,077		158.1
US imports from SA under GSP	506	553	670	949	1,017	1,066	1,190		135.1
Total US imports from SA	4,430	4,236	4,888	5,926	5,854	7,497	9,132		106.2

Source: USITC

South Africa's agro-food exports under AGOA

South Africa's agro-food exports under AGOA increased by 179.4 percent since 2001 and were worth \$137 million in 2007 (see Table 4). The South African agro-food industry represents 87.8 percent of total sub-Saharan Africa agro-food exports under AGOA. Edible fruit and nuts representing 44.8 percent of exports were the major product category. In Table 5 the major products under the edible fruit and nuts category are shown. Citrus representing 32.0 percent of total agro-food exports under AGOA are the major product in this category. South Africa exported almost \$44 million worth of citrus to the United States under AGOA in 2007.

Beverages were the second most important product category representing 40.4 percent of total agro-food exports under AGOA in 2007. Beverages were made up of ethyl alcohol worth \$26 million and wine worth \$29 million. The third most important product category representing 9.2 percent of total agro-food exports under AGOA in 2007 were preserved food. Under preserved food, fruit and vegetable juice is the major product worth \$9 million.

The top six agro-food products representing 91.0 percent of agro-food exports under AGOA in 2007 were citrus, wine, ethyl alcohol, fruit and vegetable juice, grapes and nuts. The major grow areas since 2001 is in fruit and vegetable juice (1,315 percent), wine (626.6 percent), ice cream (under miscellaneous food in Table 4) (513.2 percent) and grapes (478.9 percent).

Table 4: South Africa's agro-food exports under AGOA (excluding GSP)

Description	2001	2002	2003	2004	2005	2006	2007	% of total agro-food exports under AGOA	% Growth since 2001
	\$1,000								
Live Animals	3	0	0	0	0	0	0	0.0	
Dairy, Eggs, Honey, Etc	0	4	0	0	0	0	0	0.0	
Live Trees And Plants	0	8	0	24	316	40	234	0.2	
Vegetables	316	1,575	907	918	857	645	547	0.4	73.4
Edible Fruit And Nuts	27,267	37,331	55,038	60,031	67,425	79,170	61,427	44.8	125.3
Cereals	0	0	0	0	0	0	4	0.0	
Misc Grain, Seed, Fruit	0	0	0	8	5	27	0	0.0	
Fats And Oils	0	242	191	462	25	0	0	0.0	
Baking Related	0	0	0	43	0	0	0	0.0	
Preserved Food	5,268	16,135	15,269	5,484	7,485	11,774	12,581	9.2	138.8
Miscellaneous Food	448	615	866	1,908	2,078	1,279	2,745	2.0	513.2
Beverages	15,441	19,098	27,297	32,746	46,814	57,359	55,371	40.4	258.6
Food Waste; Animal Feed	0	0	0	0	0	5	0	0.0	
Tobacco	0	0	2,612	7,718	6,161	3,987	3,909	2.9	
Hides And Skins	370	1,555	1,152	135	354	496	379	0.3	2.5
Total Agro-Food	49,112	76,563	103,332	109,477	131,521	154,781	137,197		179.4

Source: USITC

Table 5: South Africa's major agro-food product exported under AGOA (excluding GSP)

Description	2001	2002	2003	2004	2005	2006	2007	% of agro-food trade	% Growth since 2001
	\$1,000								
Edible Fruit And Nuts	27,267	37,331	55,038	60,031	67,425	79,170	61,427	44.8	125.3
Citrus	19,707	21,016	37,172	39,253	45,232	62,282	43,955	32.0	123.0
Grapes	1,485	7,576	3,706	3,686	3,917	5,591	8,599	6.3	478.9
Nuts	5,969	8,469	12,959	16,431	17,755	9,873	7,808	5.7	30.8
Preserved Food	5,268	16,135	15,269	5,484	7,485	11,774	12,581	9.2	138.8
Fruit & Veg juice	643	7,582	8,001	2,776	4,529	7,086	9,097	6.6	1,314.6
Beverages	15,441	19,098	27,297	32,746	46,814	57,359	55,371	40.4	258.6
Ethyl Alcohol	11,392	9,478	14,203	14,445	19,409	29,228	25,952	18.9	127.8
Wine	4,049	9,619	13,094	18,301	27,401	28,131	29,418	21.5	626.6

Source: USITC